<u>REMARKS</u>

Applicants thank Examiner for the thorough consideration given to the claims in the present application. Claims 7-23 are cancelled in the present application. Claims 24 and 25 are new claims in the present application. Claims 24 and 25 are independent claims.

35 U.S.C. § 102(b) Rejection

Claims 7, 9-10, 12-14, 16, and 18-23 are rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent 5,353,062 to Maeda (hereafter "Maeda"). Applicants have cancelled all rejected claims in this response, and have added claims 24 and 25 as new independent claims. Applicants traverse this 102(b) rejection of cancelled claims 7, 9-10, 12-14, 16, and 18-23 insofar as it pertains to currently pending independent claims 24 and 25.

Claim 24 pertains, in part, to a moving picture prediction system comprising a plurality of memories for storing picture data and a memory update unit that updates the picture data and "controls the number of the plurality of memories to be used for prediction."

Maeda discloses a method and apparatus for displaying high quality still images from moving pictures when video playback is stopped at a particular frame. (Col. 2, lines 32-46). To accomplish this, Maeda teaches an image display apparatus that performs motion compensation through means including a decoder. (Col. 2, lines 47-61).

The decoder taught by Maeda contains a plurality of memories, two of those memories being alternately switched so that when one memory is written the other is read out (Col. 4, lines 26-31) and a selector 31 "which selects any one of the output of the selector 20, and the outputs of the image memories." (Col. 4, lines 54-56). Because it may only select any one of the plurality of memories, the selector can determine which particular memory to read from or write to, but is incapable of controlling "the number of the plurality of memories to be used for prediction" as required by independent claim 24.

Independent claim 25 recites a requirement of "controlling the number of the plurality of memories to be used for prediction." Applicants respectfully submit that claim 25 is therefore patentable over Maeda for the same reasons as set forth in with respect to independent claim 24.

For at least the reasons stated above, Applicants submit that Maeda is deficient in its teaching with respect to the present application. Accordingly, Applicants respectfully request reconsideration and withdrawal of this rejection.

35 U.S.C. § 103(a) Rejection

Claims 8, 11, 15, and 17 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Maeda in view of U.S. Patent 6,415,056 to Boon (hereafter "Boon"). Claims 8, 11, 15, and 17 are cancelled in the present application, rendering this rejection moot.

Conclusion

In view of the above remarks, it is believed that claims are allowable.

Should there be any outstanding matters that need to be resolved in the present application, the Examiner is respectfully requested to contact D. Richard Anderson, Reg. No. 40,439 at the telephone number of the undersigned below, to conduct an interview in an effort to expedite prosecution in connection with the present application.

If necessary, the Commissioner is hereby authorized in this, concurrent, and future replies to charge payment or credit any overpayment to Deposit Account No. 02-2448 for any additional fees required under 37.C.F.R. §§1.16 or 1.14; particularly, extension of time fees.

Dated: February 26, 2008

Respectfully sulfmitted,

D. Richard Anderson Registration No.: 40,439

BIRCH, STEWART, KOLASCH & BIRCH, LLP

Docket No.: 2565-0277P

8110 Gatehouse Road

Suite 100 East

P.O. Box 747

Falls Church, Virginia 22040-0747

(703) 205-8000

Attorney for Applicant